

ANGLO-CANADIAN TELEPHONE
COMPANY

*Fourth Annual
Report
1938*

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MONTREAL, P.Q.

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ANGLO-CANADIAN TELEPHONE COMPANY

MONTREAL, P.Q.
22nd March, 1939.

TO THE STOCKHOLDERS:

On behalf of the Directors, there is submitted herewith the fourth annual report of the Anglo-Canadian Telephone Company, covering the calendar year 1938.

During the year 1938 the British Columbia Telephone Company and the Philippine Long Distance Telephone Company, in which companies this Company has substantial direct and indirect investments, arranged for the financing of capital expenditures made or to be made on the plants and properties of these companies and for other corporate purposes, which financing is set out in copies of the annual reports of the British Columbia Telephone Company and the Philippine Long Distance Telephone Company submitted herewith.

Submitted on behalf of the Board,

J. G. CRANE,
President.

TORONTO
HAMILTON
WINNIPEG
CALGARY

RIDDELL, STEAD, GRAHAM & HUTCHISON

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ESTABLISHED 1869

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Malcolm J. McLeod, C.A.

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P O BOX 2398

MONTREAL

TO THE SHAREHOLDERS

ANGLO-CANADIAN TELEPHONE COMPANY:

We have made an examination of the Balance Sheet as at 31st December, 1938, of Anglo-Canadian Telephone Company. In connection therewith, while we did not make a detailed audit of the transactions, we examined or tested accounting records of the Company and other supporting evidence and also made a general review of its accounting methods for the year ended 31st December, 1938.

We have not examined the accounts of all of the Company's subsidiary companies but have received and examined reports rendered by other independent auditors on the accounts of such companies not examined by us for the year ended 31st December, 1938, and have obtained information and explanations from officers and employees of the Company.

We report that we have obtained all the information and explanations we have required and that, in our opinion, based upon the examination referred to above and the reports of subsidiary companies rendered by other independent auditors, the accompanying Balance Sheet as at 31st December, 1938, is drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

RIDDELL, STEAD, GRAHAM & HUTCHISON,

Auditors.

MONTREAL, 7TH MARCH, 1939.

ANGLO-CANADIAN TELEPHONE COMPANY

(An Investment Company)

BALANCE SHEET

As at 31st December, 1938

ASSETS

INVESTMENTS AND LONG TERM ACCOUNT LESS RESERVE \$10,630,576.77

CURRENT ASSETS

Cash on hand and in banks.....	\$434,198.01	
Dividends receivable.....	41,895.46	
Accrued interest.....	947.89	
Accounts receivable:		
Subsidiary companies.....	\$90,260.83	
Other.....	2,475.00	
	<u>92,735.83</u>	
		569,777.19
		<u>\$11,200,353.96</u>

LIABILITIES

CAPITAL STOCK

CUMULATIVE PREFERRED

Authorized—	
150,000 shares—par value.....	<u>\$7,500,000.00</u>
Issued and outstanding—	
72,600 5½% cumulative pre-	
ferred shares.....	\$3,630,000.00

CLASS A

Authorized—	
850,000 shares—par value.....	<u>\$8,500,000.00</u>
Issued and outstanding—	
487,100 shares.....	4,871,000.00

DEFERRED

Authorized—	
200,000 shares—par value.....	<u>\$2,000,000.00</u>
Issued and outstanding—	
200,000 shares.....	2,000,000.00
	<u>\$10,501,000.00</u>

CURRENT LIABILITIES

Accounts payable.....	\$ 9,301.30	
Accrued taxes (including provision for Dominion and		
Provincial taxes).....	11,163.66	
Dividend accrued (subsequently declared).....	33,275.00	
	<u>53,739.96</u>	
EMPLOYEES' BENEFIT FUND RESERVE.....		5,100.00

SURPLUS RESERVED

Amount reserved for general contingencies.....	50,000.00
SURPLUS (as per attached statement).....	590,514.00
	<u>\$11,200,353.96</u>

Approved on Behalf of the Board of Directors:

J. G. CRANE, Director

MARTIN LINDSAY, Director

MONTREAL, 7TH MARCH, 1939

This is the Balance Sheet referred to in our Report of this date.

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants,
Auditors.

ANGLO-CANADIAN TELEPHONE COMPANY

(An Investment Company)

INCOME AND EXPENSE STATEMENT

For the Year Ended 31st December, 1938

INCOME

Dividends, Interest, and Other Income.....	\$ 685,349.26
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GENERAL AND ADMINISTRATIVE EXPENSES

Salaries, Directors' Fees, Legal and Miscellaneous Expenses.....	\$ 67,854.75	
Taxes, including provision for Dominion income taxes and Provincial profits taxes.....	15,580.76	83,435.51

NET INCOME.....	\$ 601,913.75
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AMOUNT APPROPRIATED FOR GENERAL CONTINGENCIES	25,000.00
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BALANCE OF INCOME.....	<u>\$ 576,913.75</u>
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STATEMENT OF SURPLUS

For the Year Ended 31st December, 1938

BALANCE AS AT 1ST JANUARY, 1938.....	\$ 498,510.25
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ADD:

Balance of Income (as per Income and Expense Statement).....	\$576,913.75	
Adjustment of Provision for Taxes.....	12,000.00	588,913.75

PROVISION FOR EMPLOYEES' BENEFIT FUND.....	5,000.00
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	1,082,424.00
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DEDUCT:

Dividends paid or provided for:

5½% Cumulative Preferred.....	\$199,650.00	
Class A.....	292,260.00	491,910.00

BALANCE AS AT 31ST DECEMBER, 1938.....	<u>\$ 590,514.00</u>
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DIRECTORS

A. F. ADAMS	VISCOUNT HINCHINGBROOKE
R. L. BENSON	MARTIN LINDSAY
M. A. COLEFAX	HUGH MACKAY
J. G. CRANE	J. C. NEWMAN
ERNEST E. EVANS	SIR ALEXANDER ROGER
PERCY W. EVANS	HON. GORDON W. SCOTT
GORDON FARRELL	F. S. SPRING
HUNTER L. GARY	EMMETT SWANSON
T. S. GARY	F. H. WOODS
F. H. WOODS, JR.	

OFFICERS

A. F. ADAMS	- - - - -	<i>Chairman</i>
HUNTER L. GARY	- - - - -	<i>Vice-Chairman</i>
J. G. CRANE	- - - - -	<i>President</i>
GORDON FARRELL	- - - - -	<i>Vice-President</i>
MARTIN LINDSAY	- - - - -	<i>Vice-President</i>
F. S. SPRING	- - - - -	<i>Treasurer</i>
GEOFFREY PURDY	- - - - -	<i>Secretary</i>

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